



# Budget Request Instructions Postsecondary

Kay Ivey

Governor

FY2026



STATE OF ALABAMA  
Department of Finance  
Executive Budget Office



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Doryan Carlton  
State Budget Officer

September 19, 2024

**MEMORANDUM**

**TO:** All Postsecondary Education Institutions  
**FROM:** Doryan Carlton, State Budget Officer  
**RE:** FY 2026 Budget Request

In order to develop the Governor's Budget for FY 2026 and meet statutory requirements, it is necessary that each institution submits an annual budget request to the Executive Budget Office (EBO).

Sherpa Budget Formulation and Management (BFM) is the computer program application that is required to be used for submitting the Budget Request to EBO. Sherpa BFM will be accessible online starting October 1, 2024. We encourage you to login in advance to avoid firewall issues. **If you have firewall problems, or if you do not have a user ID and password**, contact the STAARS Helpdesk **immediately**. The EBO Budget Request Instructions for developing your request and the Sherpa BFM Manual for system user instructions are both available at EBO's website: <http://budget.alabama.gov>.

The due date for EBO Budget Requests, as set by law, is Friday, November 1, 2024. Please read the EBO Budget Request Instructions regarding the requirement to submit attachments by uploading them through Sherpa BFM. All approvals will be applied electronically through Sherpa BFM. If your submission is not received by the due date, we cannot guarantee its inclusion in the Governor's Executive Budget.

Please note that each line item and earmarked appropriation must be detailed on a separately created line. This includes a separate line for the following appropriations: Operations and Maintenance, Knight vs. Alabama, Teacher In-Service Center, Coronavirus Relief Funds, American Rescue Plan Act and all other earmarked appropriations. Amounts earmarked for specific purposes should be excluded from the ETF Appropriation for Operations & Maintenance and listed separately on Forms 14 and 14A. Additionally, University Systems that submitted consolidated budgets in the past, will now have separate agency numbers to complete and submit each institution's budget separately.

Contact your assigned budget analyst at (334) 242-7230 for assistance with budget development questions. Contact the STAARS Helpdesk at (334) 353-9000 or [financialsystems@comptroller.alabama.gov](mailto:financialsystems@comptroller.alabama.gov) for assistance with the Sherpa BFM application.

As we continue our endeavor to provide quality and efficient processes, please help us by bringing any critical issues to our attention that prevent you from using our systems to submit your Budget Request information.

DC/jdg

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## SUBMITTING THE BUDGET REQUEST

The purpose of this instruction guide is to provide information needed to develop the Budget Request for submission. Contact your assigned budget analyst at (334) 242-7230 for assistance with budget development questions.

Sherpa Budget Formulation and Management (BFM) is the computer program application that is used to submit the completed Budget Request. Contact STAARS Helpdesk at (334) 353-9000 or [financialsystems@comptroller.alabama.gov](mailto:financialsystems@comptroller.alabama.gov) for assistance with the Sherpa BFM application.

1. **Due Date** – The due date for Budget Request packages, as set by law, is November 1<sup>st</sup> of each year. The FY 2026 budget request packages will be due **Friday, November 1, 2024** (§ 41-4-84, *Code of Alabama 1975*).
2. **Financial Statement**—Senior institutions must submit a copy of the institution's financial statements for the fiscal year ending September 30, 2023, to the Executive Budget Office no later than Wednesday, January 1, 2025.
3. **EBO Website Resources** – These Budget Request Instructions for Postsecondary Institutions, as well as information about EBO and state finances, are located at <http://budget.alabama.gov>. Downloadable EBO Excel® spreadsheets also remain available to aid in calculation and preparation if desired. However, you will **NOT** use these forms for submission. Budget Requests are required to be submitted using the Sherpa BFM application and will be accepted ONLY through Sherpa BFM.
4. **Sherpa BFM Access and Instructions** – Sherpa BFM will be accessible online starting October 1, 2024. Contact STAARS Helpdesk if you do not have a user ID and password. Access links and instruction manuals for submission using Sherpa BFM are available at the following sites:
  - Sherpa BFM manuals: <https://budget.alabama.gov/instructions-and-forms/>
  - Sherpa BFM application link: [https://al.bfm.cloud/bfmal/login\\_admn.aspx](https://al.bfm.cloud/bfmal/login_admn.aspx)
  - STAARS infoAdvantage Reporting: <https://staarsinfo.alabama.gov/BOE/BI>
5. **Attachments to Budget Request** – Do not mail or email any documents to be included with the Budget Request. Attachments must be submitted electronically inside Sherpa BFM using the Attachments tab on Form 14.
6. **Rounding** – Round all figures to the nearest dollar, omitting all decimal points and zeros in the cents column.
7. **Gross Budgeting** – Total budget is on the basis of current gross revenues and expenditures.

8. **Electronic Submission** - The Budget Request package and all attachments are required to be submitted online electronically using the Sherpa Budget Formulation and Management (BFM) application. Information and instructions for submittal are on the Executive Budget Office (EBO) website at <https://budget.alabama.gov/instructions-and-forms/>. If you do not have access to the system, please contact [financialsystems@comptroller.alabama.gov](mailto:financialsystems@comptroller.alabama.gov) or call (334) 353-9000 for login assistance.
9. **LSA Copies** – Please send a copy of the Budget Request, as well as any revised or corrected replacement versions, to the Legislative Services Agency (LSA) using the following dedicated email address: [budgetrequests@lsa.state.al.us](mailto:budgetrequests@lsa.state.al.us).
10. **Alabama Commission on Higher Education Copies**– Please send one copy of the Budget Request, as well as any revised or corrected replacement versions to ACHE using the following email address: [budgetrequest@ache.edu](mailto:budgetrequest@ache.edu).

## BUDGET AUTHORITY

The "Fletcher Budget Act" (*Code of Alabama 1975*, Sections 41-4-80 through 41-4-96, inclusive, as amended) embodies the original budget authority for the State of Alabama. The "Budget Management Act" (*Code of Alabama 1975*, Sections 41-19-1 through 41-19-12, inclusive, as amended) greatly expanded the scope of the budget authority and financial management. The act established a comprehensive system for budgeting and financial management and provided for program budgeting, accounting, and performance reporting.

## GENERAL INSTRUCTIONS

1. **Coronavirus Aid, Relief and Economic Security Act (CARES Act), Families First Coronavirus Response Act, Coronavirus Preparedness and Response Supplemental Appropriations Act, Consolidated Appropriations Act, American Rescue Plan Act (ARPA), Elementary and Secondary School Emergency Relief Fund (ESSER) or Governor's Emergency Education Relief Fund (GEERF II)** – Agencies/Institutions that received funds from any of these sources should present funds on a separate line from other funds on the Form 14 as applicable.
2. **Reappropriations (Rollover Funds) – Per Section 14, Act 2024-351** – Any reversions of funds that have been authorized and approved to be reappropriated are required to be reported on Form 14.
3. **BP Oil Funds** – Agencies that received funds from BP (either as a grant or reimbursement) in FY 2024 or anticipate receiving BP funds in FY 2025 or FY 2026 should present these funds together on a separate line from other funds on the EBO Form 14 as applicable.
4. **Required Forms** –Completion and submission of Forms 14 and 17 are required for all institutions. Forms 14A must be completed, if applicable.
5. **Facilities Master Plan** –The Executive Budget Office is requesting that all institutions required to submit a Facilities Master Plan to the Commission on Higher Education, submit Form 1A of the Facilities Master Plan. **Use the Attachments Tab on Form 14 Restricted in Sherpa BFM to submit all attachments.**
6. **Knight Vs Alabama** –Institutions receiving funds from the Education Trust Fund as a result of Civil Action Number CV 83-M1676-S (Knight Vs Alabama) should report this funding by program or purpose as a separate line in the Revenue section and identify it by program or purpose. Corresponding expenditures should be reported accordingly.
7. **Earmarked Appropriations** –Institutions with appropriations earmarked for a specific purpose are requested to report those amounts on a separate line.
8. **Contact Information** – Attach a cover letter with the President's name, mailing address, and telephone number, as well as the name, telephone number and email address of a contact person for the budget and financial information. **Use the Attachments Tab on Form 14 Restricted in Sherpa BFM to submit all attachments.**

## EXPENDITURE CATEGORIES AND PERSONNEL RATES

The following expenditure categories are the major Expenditure Objects used on the EBO Forms for the submission of the Postsecondary Institutions Budget Request. These categories are not for use by state agencies.

1. **Salaries and Wages** - Includes all costs relating to personnel such as regular salaries and wages, overtime earnings, special allowances and employee termination costs.
2. **Employee Benefits** - Includes employer costs for employee benefits such as FICA, retirement contributions, group health insurance, worker's compensation insurance, unemployment compensation, TIAA and CREF. Estimate benefits using the rates below.

FICA - Social Security and Medicare Employer Contribution		
Calendar Year	Salary Base	Rate
2024	Maximum \$168,600	7.65%
2024	Over \$168,600	1.45%
2025	Maximum \$177,100 <sup>1</sup>	7.65%
2025	Over \$177,100 <sup>1</sup>	1.45%
2026	Maximum \$185,900 <sup>1</sup>	7.65%
2026	Over \$185,900 <sup>1</sup>	1.45%

EMPLOYER HEALTH INSURANCE CONTRIBUTION (Per Employee)		
Plan	FY2025 Monthly Rate	FY2026 Monthly Rate
PEEHIB	\$800	\$904

TEACHERS RETIREMENT SYSTEM (TRS)	FY2025	FY2026
Tier I Employees Hired on or Before 1/1/13	13.57%	14.57%
Tier II Employees Hired after 1/1/13	12.60%	13.61%

<sup>1</sup> Estimated amounts

3. **Supplies and Expenses** - A major object which includes all expenditures, excluding salaries and wages, employee benefits and capital assets (defined below). Include expenses such as payments for all services, repairs and maintenance, rentals and leases, advertising, utilities, communications, travel and subsistence, products, office supplies and materials, and expenses for payment of grants and awards.
4. **Equipment and Other Capital Assets** - A major object which includes all expenditures for equipment and other capital assets which have a useful life of more than one year and an acquisition cost of \$500 or more per unit.



## FUNCTIONAL CATEGORIES

*The functional categorization of institutional expenditures according to the purpose for which the costs are incurred is recommended for current fund expenditures by NACUBO and NCHEMS. These categories and their descriptions follow.*

### **1. Instruction**

This category includes expenditures for all activities that are part of an institution's instructional program. Expenditures for credit and non-credit courses, for academic, vocational, and technical instruction, for remedial and tutorial instruction, and for regular, special and extension sessions should be included. However, the fact that proposed expenditures for continuing/adult education courses are to be included in this category of expenditures does not change stated policy concerning the source of funding for these course offerings. That is, it continues to be state policy that continuing/adult education courses be self-supporting. This policy should be considered when computing and reporting the proposed sources of revenue on EBO Form 14. Expenditures for departmental research and public service that are not separately budgeted should be included in this classification. This category will exclude expenditures for academic administration when the primary assignment is administration (for example, academic deans). Expenditures for department chairpersons, for which instruction is still an important role should be included in this category.

### **2. Research**

This category includes all funds expended for activities specifically organized to produce research outcomes as commissioned by an agency either external to the institution or separately budgeted by an organizational unit within the institution. This category does not contain all sponsored programs (such as training grants) or sponsored research only, since internally supported research programs should be included in this category. This category includes expenditures for departmental research activities that are separately budgeted and are normally managed within academic departments. Also included are research activities that are part of a formal research organization (institutes or centers) created to manage several research efforts (excluding federally funded research and development centers which are classified as independent operations).

### **3. Public Service**

This category includes all funds budgeted specifically for public service and expended for activities established primarily to provide non-instructional services beneficial to groups external to the institution. Such activities can include seminars, projects, community service programs (excluding institutional activities), institutes, general advisory services, cooperative extension services, reference bureaus, and various organizational entities established to provide non-instructional services to particular sectors of the community.

### **4. Academic Support**

This category includes all funds expended for activities carried out primarily to provide support services that are an integral part of the operations of one of the institution's three primary programs: instruction, research, and public service. This includes the provision of services that directly assist the academic

functions of the institution. Include expenditures for libraries, museums, galleries, audio/visual services, ancillary support, academic personnel development, course and curriculum development, and the expenditures for academic deans. Do not include those of the department chairpersons, which are included under "Instruction". Also included in this category is computer processing that supports the three programs of instruction, research, and public service; however, administrative data processing included in "Institutional Support" should be excluded.

## **5. Student Services**

This category includes all funds expended for admissions, registrar activities and activities whose primary purpose is to contribute to all students' emotional and physical well-being and to their intellectual, cultural and social development outside the context of the formal instruction program. Examples are career guidance, counseling, financial aid administration, student health services (except when operated as a self-supporting auxiliary enterprise), student activities, cultural events, student newspaper, intramural athletics, and student organizations. Intercollegiate athletics should appear in "Student Services" if not essentially self-supporting.

## **6. Institutional Support**

This category includes all funds expended for activities whose primary purpose is to provide operational support for the day-to-day functioning of the institution, excluding expenditures for physical plant operations. Appropriate allocations of institutional support should be made to auxiliary enterprises, hospitals, and any other activities not reported as "Educational and General" expenditures. Include expenditures for general administrative services, executive direction and planning, legal and fiscal operations, and community and legislative relations.

## **7. Operation and Maintenance of Physical Plant**

This category includes all expenditures of current funds for the operation and maintenance of physical plant net of amounts charged to auxiliary enterprises and hospitals. It does not include expenditures made from the institutional plant fund accounts. It includes all expenditures for operations established to provide services and maintenance related to campus grounds and facilities. It also includes utilities, property insurance, fire protection, and similar items.

## **8. Scholarships and Fellowships**

This category applies to monies given in the form of outright grants and trainee stipends to individuals enrolled in formal coursework, either for credit or not. Do not report Federal PELL Grants, ROTC scholarships, or other programs where the institution is not allowed to select the recipients of the grants. Include scholarships and fellowships in whichever reporting unit is applicable.

## **9. Auxiliary Enterprises**

An auxiliary enterprise is an entity that exists to furnish a service to students, faculty, or staff and charges a fee that is directly related to, although not necessarily equal to, the cost of the service. The distinguishing characteristic of auxiliary enterprises is that they are managed as essentially self-supporting operations. Therefore, although revenues do not always exceed or equal expenditures, fees for auxiliary enterprises, unlike those of any other institutional operations, are usually set with this goal in mind. The

general public may incidentally be served in some auxiliary enterprises. Examples are residence halls, food services, intercollegiate athletics, and student stores.

This category of expenditures embraces all costs, except depreciation, of operating the institution's auxiliary enterprises, including charges for physical plant operations and general institutional support. Also included in this category are other direct and indirect costs whether charged directly as expenditures or allocated as the proportionate share of the costs of other departments or units.

# BASIS OF REPORTING

## 1. Senior Institutions

The basis for submitting the Budget Request is the current funds reporting unit. A reporting unit is defined as any of the following:

- O & M Appropriations - unrestricted current funds only
- Each additional line item appropriation - unrestricted current funds only
- Each new program request - unrestricted current funds only
- Restricted Funds for the institution - current funds only

**University Systems** that have historically submitted separate complete budgets for each institution, will continue to complete separate budgets, and will have separate agency numbers for each individual institution within the system instead of sharing the same agency number. Please contact your EBO Budget Analyst if you do not already have the agency numbers.

Submit as supplemental information, two copies of the institution's financial statement for the year ended September 30, 2023, no later than January 1, 2025.

## 2. Two-Year Colleges

The basis for submitting the Budget Request is the fund groups used by all junior, community, and technical colleges. Fund 1 ("Current Funds - Unrestricted") and Fund 2 ("Current Funds - Restricted") will appear on the EBO Forms. Although the request is submitted for the system, information should be available for individual colleges upon request.

## SHERPA BFM TABS FOR CREATING FORMS

Using the *Sherpa BFM Budget Request Manual for Postsecondary*, log into the [application](#), and create **each** of the following Budget Requests from the menu tab selections:

1. **Unrestricted Current Funds**- Sum of all unrestricted reporting units (**Form 14**)
  - a. Expenditures by Function
  - b. Expenditures by Object
  - c. Employee Costs
  - d. Condition of Current Funds (Revenues)
  
2. **Restricted Current Funds**- Sum of all restricted reporting units (**Form 14**)
  - a. Expenditures by Function
  - b. Expenditures by Object
  - c. Employee Costs
  - d. Condition of Current Funds (Revenues)
  
3. **Unrestricted Auxiliary Enterprises** (**Form 14AUX**)
  - a. Auxiliary Revenues
  - b. Auxiliary Expenditures
  - c. Auxiliary Transfers
  
4. **Personnel Unrestricted** (**Form 17**)
  - a. E&G Personnel by Function
  - b. E&G Personnel by Occupational Activity
  - c. Aux Ent by Occupational Activity
  
5. **Personnel Restricted** (**Form 17**)
  - a. E&G Personnel by Function
  - b. E&G Personnel by Occupational Activity
  - c. Aux Ent by Occupational Activity
  
6. **Hospital Financial Summary**, If applicable (**Form 14A**)
  - a. Revenues
  - b. Expenditures, Transfers, and Accounts Receivable
  - c. Personnel

**Reminder:** University Systems will continue to complete and submit institutions separately, using the assigned individual agency numbers for each separate institution instead of sharing the same agency number.

# SPECIAL REPORTING INSTRUCTIONS

## Restricted and Unrestricted Funds

*Use the following definitions to distinguish between restricted and unrestricted funds.*

**Restricted funds** are those available for financing operations, but which are limited by donors and other external agencies to specific purposes, programs, departments, or schools. Externally imposed restrictions are to be contrasted with internal designations imposed by the governing board on unrestricted funds. Internal designations do not create restricted funds, inasmuch as the removal of the designation remains at the discretion of the governing board.

**NOTE:** Restricted funds will be treated as a separate reporting unit; therefore, no restricted funds should appear in any place except in this one reporting unit and the institution summary combining restricted and unrestricted funds.

**Unrestricted funds** include all funds received for which no stipulation was made by the donor or other external agency as to the purposes for which they should be expended.

**NOTE:** All ETF appropriations are reported as unrestricted funds.

## 2. Intra-Institutional Transactions

Intra-institutional transactions between service departments and storerooms and other institutional departments or offices should not be reported as revenues of the service departments but rather as reductions of expenditures of such departments, since these transactions are essentially interdepartmental transfers of cost. These reductions of expenditures should be reflected as a credit entry on EBO Form 14 in an appropriate expenditure category. If the expenditures are not distinguishable by object, reflect the reduction in supplies and expenses. The billed price of services and materials obtained from service departments and central stores to offices and departments should be treated just as if they had been obtained from sources outside the institution. Any difference between costs and billed prices as recorded in the service department account, whether credit or debit, should be reported under the Institutional Support expenditure classifications.

Certain intra-institutional transactions, however, should be reflected in the operating statements of the institution as revenues and expenditures. Materials or services produced by an instructional department as a by-product of the instructional program and sold to other departments or to auxiliary enterprises or hospitals - for example, milk sold by the dairy department to the dining halls - should be treated as sales and services revenues of the selling department and as expenditures of the receiving department.

Sales and services of auxiliary enterprises to other departments - for example, catering by the food services department in the entertainment of institutional guests and sales by the college store to instructional departments - should be treated as sales and services revenues of the respective auxiliary enterprises and as expenditures of the unit receiving the services or materials.

### 3. Capital Assets

Capital assets include all equipment and other items which have a useful life of more than one year and an acquisition cost of \$500 or more per unit. Please note that if your institution is required to submit a Facilities Master Plan (FMP) to the Commission on Higher Education, Form 1A of the FMP should be submitted as an attachment that is uploaded to the STAARS Document Management Tab. No single asset is to appear on more than one form. If the expenditure for a capital asset involves current funds (restricted or unrestricted), such expenditures will be reflected in the category titled "Equipment and Other Capital Assets" on EBO Form 14. If there is a need to request additional funds for capital assets over and above those listed on EBO Form 14, these requests will be documented on Form 1A of the Facilities Master Plan. Examples might include the purchase of land, construction of a new building, replacement of a major piece of equipment or a major supplementary purchase of library materials to upgrade library holdings.

**NOTE:** Use the **Attachments Tab on Form 14 Restricted** in Sherpa BFM to submit all attachments.

# EBO FORM 14- EDUCATIONAL AND GENERAL FINANCIAL SUMMARY

## *Condition of Current Funds Tab (Revenues for Form 14)*

1. In the “**FY 2024 ACTUALS**” column, show the preliminary actual data for FY 2024 to reflect unrestricted or restricted amounts (whichever is appropriate). We realize that, due to encumbrances and 13<sup>th</sup> accounting period expenditures, the expenditures in this column will likely not match financial statements.
2. In the “**FY 2025 ESTIMATED**” column, show the budgeted (estimated) data for FY 2025 to reflect unrestricted or restricted amounts (whichever is appropriate).
3. In the “**FY 2026 REQUESTED**” column, show the requested data for FY 2026 to reflect unrestricted or restricted amounts (whichever is appropriate).
4. **Educational and General Beginning Balance** is the fund balance which has not been formally allocated or otherwise designated for any particular use. However, the beginning balance may include funds which may be designated or allocated for a specific use in the future.
5. **Revenues**- Report the revenues received from the following sources for each fiscal year:
  - a. The **ETF Appropriation-Operations & Maintenance** is the total amount appropriated by law for operations and maintenance excluding amounts earmarked for specific purposes.
  - b. The **ETF Appropriation-Other** is the appropriated earmarked amount for the institution for a specific purpose (e.g. Agricultural Research State Match or Chauncey Sparks Center), excluding appropriations for Operations & Maintenance, appropriations to hospitals, and for Knight vs. Alabama. Specify each appropriation.
  - c. The **ETF Appropriation-Act** is the amount appropriated by law in an appropriation act other than Act 2023-379 for FY 2024 or Act 2024-351 for FY 2025.
  - d. The **State Department of Education – In-Service Center** is the amount appropriated to your institution through the State Department of Education’s budget.
  - e. The **Knight vs. Alabama** is the ETF amounts labeled as Final Settlement Agreement in Act 2023-379 for FY 2024 or Act 2024-351 for FY 2025. List these amounts individually by program or purpose.
  - f. **Other State Funds** refers to any other funds received from the state in addition to the direct ETF Appropriation.
  - g. **Federal Funds** includes any amounts received from the federal government as an appropriation or for a grant or contract.
  - h. **Coronavirus Aid, Relief and Economic Security Act (CARES Act), Families First Coronavirus Response Act, or Coronavirus Preparedness and Response Supplemental Appropriations Act, Consolidated Appropriations Act or American Rescue Plan Act (ARPA)** refers to funds received from the federal government from these Acts.



- i. **Coronavirus Relief Fund** refers to funds received from Alabama’s allocation of the Coronavirus Relief Fund, receiving \$1.9 billion of federal Coronavirus Aid, Relief, and Economic Security Act (CARES Act) to respond to and mitigate COVID-19.
  - j. **Governor’s Emergency Education Relief Fund (GEERF II)** refers to funds received from Alabama’s allocation of the Governor’s Emergency Education Relief Fund, receiving \$45.5 million of federal Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSA Act) to provide services or assistance to non-public schools in the wake of Coronavirus Disease 2019 (COVID-19).
  - k. **Elementary and Secondary School Emergency Relief Fund (ESSER)** refers to funds received from Alabama’s allocation of the Elementary and Secondary School Emergency Relief Fund, receiving \$2.02 billion of federal American Rescue Plan Act (ARPA) funds to safely reopen and sustain the safe operations of schools.
  - l. **Local Funds** includes any amounts received from local government as an appropriation or for a grant or contract.
  - m. **Tuition and Fees** includes all tuition and fees assessed (net of refunds) against students. Tuition and fees remissions or exemptions should be assessed and reported as revenue even though there is no intention of collecting from the student. An amount equal to such remissions or exemptions should be reflected as expenditures and classified in the category Scholarships and Fellowships (if that is the purpose of the exemption) or classified as staff benefits in the appropriate expenditure category (if the exemption is made in compliance with a formalized policy granting exemptions to relatives of the institution's staff or the staff itself).
  - n. **All Other Sources** includes all revenues other than the ones mentioned above. List the major sources.
6. **Total Condition of Funds-** Verify that the “Totals” line on the Condition of Funds Tab in Sherpa BFM equals “Expenditures” tab.
7. **Educational and General Transfers (Net)** includes a list of all transfers (net) in the categories provided for unrestricted or restricted funds. If the net amount of the transfer is an in-flow to the fund group, it should be parenthesized and treated as a negative figure. If the net amount transferred is an outflow from the fund group, it should be shown as an unsigned integer and treated as a positive figure in subsequent summations of expenditures and transfers.
- a. **Mandatory Transfers** includes transfers from the current funds group to other fund groups arising out of (1) binding legal agreements related to the financing of educational plant, such as amounts of debt retirement, interest and required provisions for renewals and replacement of plant, not financed from other sources; and (2) grant agreements with agencies of the federal government, donors, and other organizations to match gifts and grants to loan, and other funds.
  - b. **Nonmandatory Transfers** includes those transfers from the current funds group to other fund groups made at the discretion of the governing board to serve a variety of objectives, such as additions to loan funds, additions to quasi-endowment funds, general or specific plant additions, voluntary renewals and replacements of plant, and repayments on debt principal. It may also include the transfer of resources to current funds.

8. **Total Educational and General Transfers** is the sum of all transfers in categories in “Educational and General Transfers (Net)”.
9. **Total Educational and General Expenditures and Transfers** is the sum of “Total Educational and General Expenditures” and “Total Educational and General Transfers”.
10. **Educational and General Ending Balance** is “Total Available” less “Total Educational and General Expenditures and Transfers”.

1. **Educational and General Expenditures by Function** - Use the appropriate Functional Categories to record each reporting unit. Definitions of functional categories begin on Page 7.
2. **Educational and General Expenditures by Object** - Use the appropriate Object Categories to record each reporting unit. Definitions of Expenditure Objects begin on Page 5. The total must equal the total for Educational and General Expenditures by Function.
3. **Detail of Employer Costs for Fringe Benefits** - The institution's cost for all Educational and General employee benefits such as federal insurance contributions (FICA), retirement, health insurance, unemployment compensation, and all others. **Although fringe benefits may be combined for other reporting purposes, please detail these costs.** The total must match the "Employee Benefits" under Educational and General Expenditures by Object.
4. **Auxiliary Enterprises** - Auxiliary information is not to be added to any other institution totals. This category includes all costs of operating the auxiliary enterprises, including charges for operation and maintenance of physical plant, general administration, and general institutional expenses. Intercollegiate athletics, if essentially self-supporting, are reported as Auxiliary Enterprises. Otherwise report them under "Student Services." ***NOTE:** All institutions should report auxiliary enterprises as unrestricted funds, as well as on the institution summary.*
5. **Total Auxiliary Beginning Balance** - The total of the beginning of year fund balances for all auxiliary enterprises.
6. **Auxiliary Revenues** - Includes the amounts received from Sales and Services. Please specify any other source of revenue.
7. **Total Available** is the sum of "Total Auxiliary Beginning Balance" plus "Total Auxiliary Revenues".
8. **Auxiliary Expenditures** - Use the appropriate Expenditure Objects to record all auxiliary expenditures.
9. **Auxiliary Transfers (Net)** - Use the appropriate categories. If the net amount of the transfer is an in-flow to the fund group, it should be treated as a negative figure. If the net amount transferred is an outflow from the fund group, it should be shown as an unsigned integer and treated as a positive figure in subsequent summations of expenditures and transfers.
10. **Total Auxiliary Expenditures and Transfers** - is the sum of "Total Auxiliary Expenditures" and "Total Auxiliary Transfers".
11. **Total Auxiliary Ending Balance** - is "Total Available" less "Total Auxiliary Expenditures and Transfers".

# EBO Form 14A-HOSPITAL FINANCIAL SUMMARY

## *Hospital Revenues Tab in Sherpa BFM*

1. In the “**FY 2024 ACTUALS**” column, show the actual data for FY 2024 to reflect unrestricted amounts.
2. In the “**FY 2025 ESTIMATED**” column, show the budgeted (estimated) data for FY 2025 to reflect unrestricted amounts.
3. In the “**FY 2026 REQUESTED**” column, show the requested data for FY 2026 to reflect unrestricted amounts.
4. **Balance Brought Forward at Beginning of Year** is the fund balance which has not been allocated or otherwise designated for any particular use. However, the beginning balance may include funds which have been designated or allocated for a specific use in the future.
5. List the amount of **Revenues** received by the institution hospital for the three years shown. Patient service revenues should include all charges related to patient care. Example: Daily service charges, clinical laboratories, anesthesiology, diagnostic radiology, pharmacy, operating suites, and all other special patient charges.
6. **Allowance for Uncollectible Accounts** is patient charges that have been reviewed through an aging procedure and have been determined to be uncollectible by the institution. These accounts are reflected as reduction to revenues from patient services.
7. **Net Patient Service** is the difference between the **Patient Service** revenues and the **Allowance for Uncollectible Accounts**.
8. **ETF Appropriation** is the appropriation made by the State of Alabama from the Education Trust Fund which is allocated to hospitals.
9. **ETF Appropriation-Act** is the amount appropriated by law in an appropriation act other than Act 2023-379 for FY 2024 or Act 2024-351 for FY 2025.
10. **Other Income** includes such items as cafeteria revenue, discounts earned, pharmacy outpatient sales, and any other miscellaneous income from the hospital. Any amount that exceeds \$50,000 should be specifically identified.

**Note:** On the Combined Summary, the ETF O&M line should include the ETF O&M amount from the Unrestricted Summary **\*PLUS\*** the ETF amount from the Hospital Summary. On the Unrestricted Summary, the ETF O&M should include the total ETF O&M from the Combined Summary amount **\*LESS\*** the ETF amount from the Hospital Summary. On the Hospital Summary, enter your ETF amount budgeted for hospitals.

## *Hospital Expenditures Tab in Sherpa BFM*

1. The **Expenditures** section of the Hospital Financial Summary has been divided into three functional categories: (1) Administrative Services, (2) Nursing and Professional Services, and (3) Operation and Maintenance of Physical Plant. **Administrative Services** would include expenditure costs for administration, admission, credit and collections, health data systems, recruitment, materials management, communications, planning, systems development, hospital chaplaincy, and volunteer service.
2. **Nursing and Professional Services** would include all professional services related to the delivery of health care to the patient.
3. **Operation and Maintenance of Physical Plant** would include all housekeeping, maintenance, and security for the physical plant. Itemize **Utilities** separately under "Operation and Maintenance of Physical Plant".
4. List all **Transfers (Net)** in the categories provided. If the net amount of the transfer is an **in-flow** to the fund group, it should be treated as a **negative** figure. If the net amount transferred is an **outflow** from the fund group, it should be shown as an unsigned integer and treated as a **positive** figure in subsequent summations of expenditures and transfers.
5. **Balance at End of Year** is the sum of a "Balance Brought Forward" plus "Total Hospital Revenues" less "Total Hospital Expenditures and Transfers".
6. The **Accounts Receivable** balance at the beginning of the fiscal year, and also at the end of the fiscal year should reflect the net accounts receivable, i.e. the gross accounts receivable less the allowance for doubtful accounts.

## *Hospital Personnel in Sherpa BFM*

List salary amounts for the **Hospital Personnel** in the categories provided. The nursing staff and other licensed or registered employees would be classified under the **Professional Non-Faculty** category.

## EBO Form 17- PERSONNEL

Create separate forms for restricted and unrestricted for each reporting unit as explained under the “Special Reporting Instructions” on Page 12.

1. Each institution must indicate on EBO Form 17 its basis for determining a full-time instructional workload. For example, an institution on the semester system may consider 12 semester hours of course instruction to be a full-time workload.
2. **Educational and General Personnel by Function** - Use the appropriate Functional Category for each reporting unit.
3. In the “FY 2024 Actual” Column, show the actual FTE and actual salary amount, respectively for FY 2024 for each classification listed. The following basis will be used to compute annual **Full-Time Equivalent (FTE)**:

### *Instructional Faculty*

The **base computation** for determining FTE will be that a full-time instructional faculty member with a full-time workload on a 9-10 month contract employed for the entire contract period counts as 1.00 FTE. All other FTE computations must be made relative to this basis. A full-time instructional faculty member with a full-time workload on an 11-12 month contract counts as 1.50 FTE on a semester system or 1.33 on a quarter system.

Both **salary expense and FTE** for summer instruction by full-time faculty members on a 9-10 month contract should be reported in the instruction category. The FTE calculation for the summer instruction should be made as if the person were a part-time instructor for the summer term with the procedure described below being used.

Full-time employees on 9-10 month or 11-12 month contracts who were **employed for only a portion of the academic or fiscal year** should be counted according to the proportion of the contract time served. For example, a person on an 11-12 month contract who was hired in middle of the fiscal year counts 0.75 FTE; likewise, a person on a 9-10 month contract who served only during the first of three academic quarters counts 0.33 FTE.

A full-time faculty member whose separately budgeted responsibilities **do not fall solely within a single reporting unit** should be reported as the appropriate fraction of FTE under each reporting unit in which he/she has separately budgeted responsibilities. For example, a full-time faculty member who is budgeted half-time for O&M and half-time for the School of Nursing should be reported as 0.50 FTE in the O&M reporting unit (salary split accordingly). Likewise, 0.50 FTE and one-half salary would be reported in the School of Nursing reporting unit.

**Full-time equivalency of part-time faculty** should be calculated using one of the following procedures:

- (a) Divide total credit hours taught by part-time faculty during the fiscal year by 30 (for semester hours) or by 45 (for quarter hours).

- (b) Divide total salaries paid to part-time faculty during the fiscal year by the product of the average (or standard) rate per credit hour for part-time instruction times 30 for semester institutions or 45 for quarter institutions.

***All Other Employees***

FTE for part-time professional employees who are not engaged in credit-hour-producing activities (e.g. part-time faculty in medical schools and part-time research assistants) should be determined using whatever the institution believes will produce the most accurate and meaningful FTE figure.

The FTE of part-time non-professionals should be calculated by dividing total hours worked during the fiscal year by the total hours a comparable full-time employee would be expected to work during the fiscal year.

The FTE reported for a full-time, non-professional position which was not filled for the entire fiscal year should be determined by the fraction of the fiscal year during which the position was filled. The FTE for full-time non-professionals employed for the entire fiscal year is, of course, 1.00.

4. In the “**FY 2025 ESTIMATED**” column, show the FTE and salary amount for FY 2025 for each classification listed, referring to the FTE instructions.
5. In the “**FY 2026 REQUESTED**” column, show the FTE and salary amount for FY 2026 for each classification listed.
6. **Educational and General Personnel by Occupational Activity** - Use the appropriate Occupational Activity Categories for each reporting unit. The occupational activity categories are defined as follows:

***Executive, Administrative, and Managerial***

Include all persons whose assignments require primary and major responsibility for management of the institution or a customarily recognized department or subdivision thereof. Assignments require the performance of work directly related to management policies or general business operations of the institution, department or subdivision, etc. It is assumed that assignments in this category customarily and regularly require the incumbent to exercise discretion and independent judgment and to direct the work of others. Report in this category all officers holding such titles as president, vice president, dean, director, or the equivalent, as well as officers subordinate to any of these administrators with such titles as associate dean, assistant dean, or executive officer of academic departments (chairpersons, heads, or the equivalent), if their principal activity is administrative.

**NOTE:** Supervisory personnel of the technical, clerical, craft, and service/maintenance force will be reported within the specific categories of the personnel they supervise.

### *Faculty*

Include all persons whose specific assignments customarily are made for the purpose of conducting instruction, research, or public service as a principal activity or activities and hold academic rank titles of professor, associate professor, assistant professor, instructor, lecturer, or the equivalent of any one of these academic ranks. Report in this category deans, directors or the equivalents, as well as associate deans, assistant deans and executive officers of academic departments (chairpersons, heads, or the equivalent) if their principal activity is instruction. Do not include student teaching assistants or research assistants.

### *Professional Non-Faculty*

Include in this category persons whose assignments would require either college graduation or experience of such kind and amount as to provide a comparable background. Included would be all staff members with assignments requiring specialized professional training who should not be reported under Activity 1 (Executive) or Activity 2 (Faculty) and who should not be classified under one of the four "Non-Professional" categories of activities.

### *Secretarial/Clerical*

Include all persons whose assignments typically are associated with clerical activities or are specifically of a secretarial nature. Include personnel who are responsible for internal and external communications, recording and retrieval of data (other than computer programmers) and/or information and other paper work required in an office, such as bookkeepers, stenographers, clerk-typists, office machine operators, statistical clerks, payroll clerks, etc. Also include sales clerks, such as those employed full-time in the bookstore, and library clerks who are not recognized as librarians.

### *Student & Graduate Assistants*

Include all Student Assistants, Graduate Teaching Assistants (GTAs) and Graduate Research Assistants (GRAs).

### *Other Personnel*

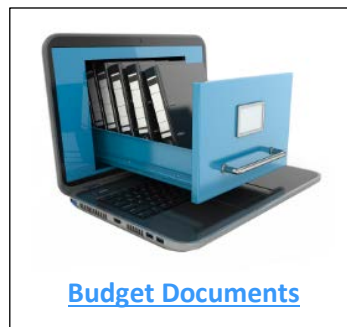
Include all persons who are not otherwise classified.

7. **Total Educational and General Personnel** - Verify that the total for personnel by activity equals the total for personnel by function.
8. **Auxiliary Enterprises Employee Classifications** - Use the appropriate categories.
9. **Total Personnel (Excluding Hospitals)** - The sum of Educational and General Personnel and Auxiliary Personnel.



## BUDGET RESOURCES

Visit the Executive Budget Office's website for additional resources, including your institution's previous years of requested budget pages under the [Budget Documents](#) link at: [http://budget.alabama.gov/executive\\_budget\\_document/](http://budget.alabama.gov/executive_budget_document/)



<http://budget.alabama.gov/>

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